



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
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COMMISSION ISSUES SECOND ORDER IN DOT-COM CASE

PHOENIX – Yesterday the Arizona Corporation Commission ordered two Scottsdale residents to pay \$5,000 each in penalties for selling unregistered stock in a Phoenix-based Internet company and for not being registered to sell securities.

The Commission also ordered the individuals to provide documentation that they have returned investors' funds, totaling \$55,000 or proof, signed by individual investors, that the respondents have satisfied their obligation to return the money through some other means.

From June 1999 through October 1999, 64-year-old Stephen Rosenbaum and 29-year-old Bobbie Jo Swartz sold stock in 2c2k.com, Inc., also known as Non-Stop Shopping.com, to at least five of the nine Arizona investors. The investments were to finance the start-up of an online “shopping mall.”

Although Rosenbaum and Swartz negotiated with various merchants to offer goods and services, the Commission found that Non-Stop Shopping.com did not have a website that actually offered anything for sale.

Following a reverse merger involving 2c2k and a publicly traded “shell” company, Rosenbaum and Swartz made an arrangement to have funds returned to all investors with whom they dealt directly. Both promoters agreed to provide the Commission’s Securities Division with a signed document, confirming that those investors have received a full refund in respect to their investment in 2c2k. Because of their cooperation in the Division’s investigation, Rosenbaum and Swartz received a reduced penalty.

This is the second Commission order issued in the case. In March 2003, the Commission took action against a Texas attorney, 55-year-old Mark Deubner of Dallas, who was involved in the sale of \$162,500 worth of 2c2k.com stock, and ordered him to pay restitution and a penalty of \$15,000.

Rosenbaum and Swartz consented to the order without admitting or denying the findings and conclusions of law. The action, however, does not conclude the Commission's case against the remaining respondent, Donald L. Levine of Phoenix, 37. Levine has not yet responded to a Commission order served on June 5, 2003, requesting an opportunity for hearing.

Prior to investing, people should verify registration of sellers and investment opportunities by contacting the Arizona Corporation Commission's Securities Division at 602-542-4242, toll free outside the Phoenix Metropolitan Area at 1-877-811-3878. The Division's website also has helpful information for investors: www.ccsd.cc.state.az.us.

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